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Home Center News ®

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Court defers Evans reorganization decision

Mulls objections, 12 pages of changes

By John Caulfield
NHCN staff editor

MIAMI — U.S. Bankruptcy Court Judge Thomas C. Britton has reserved judgement on confirming a plan of reorganization for Evans Products and seven subsidiaries that have been in Chapter 11 for 15 months.

The plan under consideration was devised by the company's bank lenders. The banks received overwhelming support for their plan from Evans' trade creditors, 84% of whom voted in favor of this proposal during a balloting period that ended June 10, according to Mark Kaufman, an attorney for the trade.

A competing plan, submitted by the company, has not received sufficient creditor class voter support to be confirmed. Two days before the June 20 confirmation hearing, Evans filed an objection to the banks' plan, claiming it was unfair to exiting shareholders and overly generous to the lenders and the trade in its payback formula.

The company's noninsider stockholders filed a separate objection to the banks' plan, claiming that the true valuation of the new common stock would give the banks $50 million more than their $513.3 million in claims against the company.

Only a few months earlier, the noninsiders were in the banks' camp agreeing to a compromise reorganization plan that ultimately was shot down by Evans' board of directors as being unfair to all shareholders, especially the

(Continued on page 81)

Handy Andy stealing Chicago spotlight

Mr. HOW workers get 1st crack to retain jobs

By Donald Longo
NHCN staff editor

CHICAGO — As many as 500 current employees of Mr. HOW Warehouse will be given first priority to retain their jobs when Handy Andy assumes full ownership of the five Mr. HOW stores here on July 1.

The stores, which are slated to be remodeled and remerchandised into the Handy Andy format by next spring, have operated under a joint management agreement between their former owner, Service Merchandise, and Handy Andy since a sale agreement was signed June 4.

A sixth Chicago market Mr. HOW site, a 79,200-sq.-ft. store being built in Lansing, Ill., will open as a Handy Andy Home Improvement Center, according to Ron Rashkow, chairman of the Gurnee, Ill.-based chain.

This purchase gives Handy Andy far greater penetration into markets with closer proximity to the inner city of Chicago. In addition, Handy Andy has, to some degree,

(Continued on page 81)

'It was no secret Service was talking to everybody,' says Ron Rashkow, on how Handy Andy beat numerous suitors for Service Merchandise's Chicago Mr. HOW units. NHCN photo

Erb Lumber to acquire Peter Kuntz

By Phillip M. Perry
NHCN staff editor

BIRMINGHAM, Mich. — Erb Lumber, the $190 million chain of 26 building materials stores, signed a letter of agreement June 17 for the purchase of Peter Kuntz Building Centers, based in Dayton, Ohio.

The purchase is for all of the assets of PK, which includes 21 building materials stores and two wholesale distribution centers. Last year, PK reported revenues of $54 million.

(Continued on page 82)

Plywood Ranch comeback trail features first profit in four years

13-unit Plywood Ranch hopes to add two units before the end of the year. The Braintree, Mass., chain is attempting to carve a niche as New England's small-town, small-store home center. NHCN photo

By Milford Prewitt
NHCN staff editor

BRAINTREE, Mass. — Plywood Ranch appears to be on a roll.

The besieged Northeast home center chain that in the past few years saw its 30 units, many of them franchises, whittled down to just 13 has turned a profit for the first time in four years.

Although sales in 1985 were about $13 million, $5 million less than 1984, R. Lee Tussing, vp, one of the new owners who took over 15 months ago, insisted that from a March-to-March perspective, Plywood Ranch is "black on the bottom line."

"We think it's a dramatic turnaround," he said, "brought about mostly by cutting down on advertising and

(Continued on page 82)

AHMA meeting confronts tax, trade, liability issues

By an NHCN staff editor

WASHINGTON — Tax reform, trade and product liability were the three main topics of discussion at this year's Government Relations meeting, conducted here by the American Hardware Manufacturers Association (AHMA) June 4 and 5.

At that meeting, which brought together a small group of leading hardware suppliers, the AHMA's nine-man government relations committee also drafted a 16-page, eight-section trade policy which the association would use to lobby Congress. A completed document was expected sometime around July 4.

Sheldon London, AHMA's general counsel and chief lobbyist, explained that this position paper, a revision of one that was written in 1984, states that copyright and trademark infringement "has hurt the reputation of the American manufacturer."

The paper asserts that where counterfeiting is detect-

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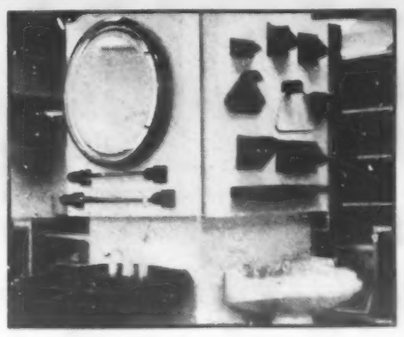
INSIDE

Perspectives: Fashion-oriented merchandising strategies add style and result in higher margins for many home center companies. **21**
Ad fund furor: Dealers' advertising fund demands irk industry suppliers. **3**



Ad & Marketing: Home centers spent $37.8 million on TV ads in 1985 in the top 25 home center markets, a 47% increase over 1984. **53**
Systems & Operations: Scotty's unveils its new $4.5 million warehouse facility. **56**

NEWSBREAKS

LOWE'S OK's SHARK REPELLENTS: Shareholders approved three takeover protection measures at Lowe's annual meeting June 16. The measures call for a new class of preferred stock, a staggered board of directors and price protection in the event of a two-tiered hostile takeover attempt.

ORCHARD AUTOMATES: Orchard Supply Hardware approved a $2 million contract in mid-June to tie together its 21 hardware stores in north California via an on-line network.

INDUSTRY UPDATE

Strikes halt McCormick work

CHICAGO — Officials of the National Hardware Show met with Illinois Governor James Thompson June 18, to ask for help in settling labor strikes that threaten use of the McCormick Place expansion for the August show.

Trade union contracts expired June 1, which disrupted the schedule for completion of the two-floor complex.

"The unions have a gun to our head," said a spokesman for McCormick Place.

A spokesman for the American Hardware Manufacturers Association said if the upper floor of the expansion isn't ready for the August show, 1985 exhibitor space assignments will be used.

Lawn and garden and outdoor living and power vendors were slated for the upper floor of the expansion.

Talks with sheet metal and heavy equipment operators' unions broke down June 16, halting virtually all construction at McCormick Place and other Chicago sites.

In the first week of June cement masons and roofers picketed the site, preventing other trades from crossing. Due to the labor delays and troubles, Hardware Show officials had earlier scratched use of the new facility's lower floor.

The National Hardware Show is scheduled to take place Aug. 10-13.

New Somerville hits sales mark

PELHAM, N.H. — Somerville Lumber's new store here, which had its grand opening Sunday, June 1, garnered $483,000 in sales during its first week of operation, setting a new company record, according to Harold Cohen, president. The previous record was held by Somerville's West Bridgewater, Mass., store, which opened last August and reported sales of $434,000 in its first week. For the grand opening week, which ended June 7, Cohen said that Somerville Lumber was ahead 61% in total sales. The Somerville, Mass., store, the company's headquarters outlet, did $1.087 million for the week compared with $945,000 a year ago. West Bridgewater was up 55% to $774,000 for the week and the Westboro, Mass., store reported sales of $554,000, which was 34% above the prior year.

Georgia adopts new bldg. code

NATIONAL REPORT — Georgia became the first state to adopt the 1986 Council of American Building Officials' (CABO) one- and two-family dwelling code, which includes the new plumbing provisions sponsored by the National Association of Home Builders (NAHB).

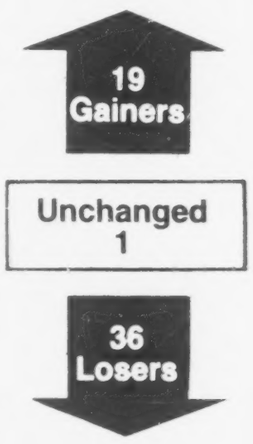
The CABO codes, which Georgia adopted in May, are designed to help builders construct more affordable homes without sacrificing quality.

Adoption of the new codes means that now all jurisdictions currently operating without building codes must build their units in compliance with the CABO code, which now includes the new plumbing regulations.

The controversial new plumbing codes (*NHCN*, March 10, 1986) allow for more liberal use of plastic plumbing in the construction of new homes. It also changed some of the requirements for the installation of drain and waste piping and venting in the units, changes that are estimated to save $500 or more on the cost of construction, according to the NAHB.

Price losers outpace winners

NEW YORK — Price losers outnumbered winners, 36 to 19, during the two-week period ended June 13, according to *NHCN*'s Market Summary of 56 home center industry companies. But, fueled by the previous two-week period's price activity, the Home Center Retailers Index climbed to a 52-week high of 142, nearly 50% above those companies' aggregate market value a year ago.



Erb Lumber, up 8.8% to $77, led the retail stock gainers.

Retailers with the biggest drops were Homecrafters Warehouse, now in Chap. 11, and Michigan General, Diamond Lumber's parent which lost $26.5 million in its fiscal year ended Dec. 31.

See financial tables, page 80.

If you spot home center industry news, call the *NHCN* NEWS HOTLINE:

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Available throughout the U.S. except New York State and Alaska 212-371-9400, 9-5:30 (E.S.T.)

Tool retailer changes moniker; pursues aggressive expansion

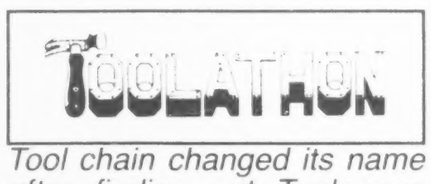
By Elizabeth Brent
NHCN staff editor

TOTOWA, N.J. — TOOLARAMA, the specialty tool chain which opened with three stores last September, is persisting with its expansion plans and undergoing a name change.

The company is changing its name to TOOLATHON to avoid a possible legal dispute, according to Ken Kwit, president and owner. It discovered that another company had registered TOOLARAMA as its trademark 25 years ago.

TOOLATHON is pursuing its aggressive expansion policy to build a network of 3,500-sq.-ft. stores in the northern area of New Jersey.

Since opening three stores in Paramus and Woodbridge, N.J., and Nanuet N.Y., last September it now has six in operation. It is currently negotiating leases on four additional stores in Union, Middletown, East Brunswick and Watchung, N.J. Plans call for these stores to open by mid-September, bringing the chain's total to 10, with possibly 10 more slated for 1987.



Tool chain changed its name after finding out Toolarama was already registered.

Kwit estimates that 1986 sales per unit will be between $750,000 and $1 million.

TOOLATHON operates in leased units in strip shopping centers. Its concept is to provide the professional and serious DIYer with a convenient and accessible store to buy power and hand tools. Each store has approximately 5,000 sku's and emphasizes service.

"We don't have to locate in the highest retail traffic area because of the leverage of our advertising," said Kwit. The company has just begun experimenting with full-page ads in the New York *Daily News*. It runs regular print ads in the New Jersey daily and weekly papers, and is continuing with its direct mail circulars.

TOOLATHON recently moved its head offices, including its retail showroom, to an 11,000-sq.-ft. building in Totowa, N.J., the company's only freestanding site. Totowa provides office and warehouse space in addition to storing a mainframe IBM computer.

Floods ravage Pittsburgh yard

By Milford Prewitt
NHCN staff editor

ALLISON PARK, Pa. — The flash floods that laid waste to the suburbs north of Pittsburgh in late May and left eight persons dead also devastated a well-known, old-line contractor lumberyard and home center that had operated here for 80 years.

Auld Brothers Lumber, a 40,000-sq.-ft. home improvement complex that included two acres of lumberyard with six T-sheds sustained close to three-quarters of a million dollars in damage when a nearby creek overflowed its banks and literally washed away the lumberyard and flooded their basement warehouse.

John P. Auld, president and gm of the company, said the rain creating the flood was strong enough to fill the basement warehouse to the ceiling in less than an hour.

Auld estimated that the company lost $500,000 in inventory, mostly in lumber and hardlines stocked in the basement, and another $200,000 in operating equipment including office furniture, carpeting and business machines. Two forklifts and four trucks were buried under ensuing mudslides which also carried some unidentified cars into Auld's parking lot.

"There were a lot of strange cars out there," he said.

"And, I've had a mechanic here for 24 hours trying to get the forklift repaired," Auld said.

He said, since the store was fully staffed and busy with shoppers at the time of the flooding, it was "a miracle" that no one was injured or killed on the premises.

The force of the flood tore a hole in a concrete block wall of the showroom.

Auld said competitors, vendors and his insurance companies have been cooperating to help the company rebound from the catastrophe.

Since the flood, Auld said the company has been able to salvage what inventory was left and operate from a second store just few miles away.

Two-unit independent set to blitz Maine

By an NHCN staff editor

EAST HAMPSTEAD, N.H. — The owners of East Coast Lumber, the two unit independent with 1985 sales of $37 million, are entering the Maine market in force.

Martin Feur, president of East Coast Lumber, and Peter Lewis, vp, also operate a holding company, that is set to acquire Maine Lumber in Portland.

As East Coast Lumber, they have already bought three sites in Maine, and will open their third store this year and two the following year.

East Coast Lumber recorded a sales increase of 54% between 1984 and 1985 and is directly geared to the builder business, which accounted for 84% of its total revenue in 1985. Feur estimated that 1986 sales from its two New Hampshire units alone will total $62 million.

The purchase of Maine

(Continued on page 81)

Rocky's eyes Connecticut market

By an NHCN staff editor

SPRINGFIELD, Mass. — Independent Rocky's Hardware & Home Centers will open its eighth store in late August in Holyoke, Mass. This will then give the privately-owned company a complete ring of stores around the town of Springfield.

Rocky's, which generated sales of $12 million from its seven units in 1985, will speed up its expansion plans and open one store a year in the future, according to James Falcone, president.

It will switch its focus from western Massachusetts to the Connecticut market, and is looking at prospective sites north of the Hartford area.

A major factor in the acceleration of its expansion program has been the help from its buying group, Ace hardware Corp., based in Oak

(Continued on page 5)

Rocky's president James Falcone: growth accelerated.

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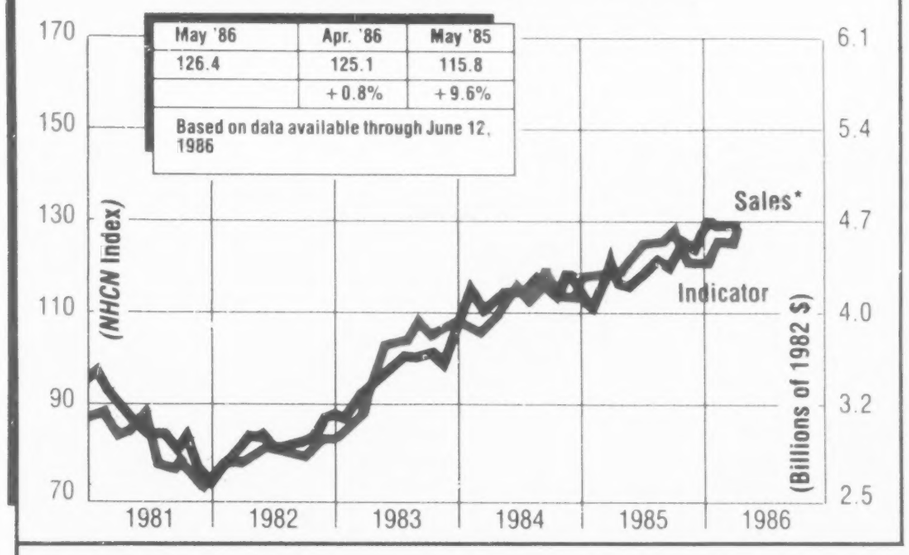
BUSINESS WATCH

NHCN Leading Sales Indicator



*—Monthly retail trade building materials and supplies in 1982 $.

Indicator—Represents projected level of retail trade building supply activity four to six months out from current months. Data based on real personal income, housing starts, resales, prime rates and other data.

The NHCN Leading Indicator rose 2.3% in May from the prior month due to the strength in resales in the fourth quarter of last year. Based on the level of activity in starts, resales, income, and interest rates in the first quarter of 1986, the leading indicator should rise an additional 4% through September.

Aging population to spur boom for building material industry

By Richard Mount
Special to NHCN

Building material sales will be one of the stronger growth markets in the economy through 1989. After the 15% gain for 1986, in dollar volume, building material sales increases will average 9%. After removing inflation, sales will rise 11% this year and average 4% during 1987 to 1989.

Economics

During the next four years, real GNP will expand 3% annually, and will do so without undergoing a recession. The pressures against growth that typically develop at this stage of the recovery—inflation, manufacturing capacity utilization and interest rates—are tamed.

Richard Mount

Inflation in consumer prices has dropped to a 2% rate in 1986 and will rebound to only 4% in the future. Ample capacity exists in the economy. The gap between interest rates and inflation remains high. Efforts to reduce the federal deficit will lower this gap, bringing interest rates down.

Aging

The average age of the population is getting older as the postwar baby boom enters middle age. Building material sales benefit from this aging.

Home repairs become a hobby and experience with one project often encourages a larger one at a later date. Incomes of an older population are higher, making major additions to current homes more affordable. Family size and housing needs rise. These families are spenders and bor-

(Continued on page 13)

Home Center Industry—General Business Outlook

	1985 QII	1985 QIII	1985 QIV	1986 QI	1986 QII	1986 QIII	1986 QIV	1987 QI	1985	1986	1987
***NHCN* Leading Sales Indicator** (January 1980 = 100)	116.0	121.0	123.4	124.1	126.4	130.9	135.0	138.0	118.5	129.1	139.3
General Economic Outlook											
GNP $1982 Billion	3,557.4	3,584.1	3,590.8	3,623.5	3,643.1	3,675.6	3,715.8	3,741.7	3,570.0	3,664.5	3,779.3
Real Disposable Income $1982 Bil.	2,532.2	2,503.1	2,517.1	2,553.1	2,583.4	3,593.7	2,615.4	2,618.5	2,508.8	2,836.4	2,637.8
Housing Permits (000 SAAR)	1,731	1,762	1,741	1,834	1,850	1,825	1,790	1,735	1,739	1,767	1,724
Housing Starts (000 SAAR)	1,743	1,688	1,773	1,988	1,950	1,900	1,830	1,775	1,742	1,917	1,764
New Home Sales (000 SAAR)	681	711	696	789	775	800	775	750	686	783	735
Resales (000 SAAR)	3,043	3,360	3,500	3,257	3,550	3,600	3,570	3,450	3,216	3,494	3,438
Prime Rate %	10.2	9.5	9.5	9.4	8.6	8.0	8.0	8.5	9.9	8.5	8.5
Mortgage Rate % (HUD)	12.9	12.1	11.8	10.8	9.3	9.3	10.3	10.5	12.5	9.9	10.4
Consumer Price Index (1967 = 100)	321.1	323.0	326.5	327.7	326.7	329.2	331.9	335.1	322.1	328.9	340.2
Producer Price Index (1967 = 100)	293.8	293.1	296.4	292.2	287.6	287.9	290.1	293.6	293.9	289.5	299.1
New Housing Affordability 1980 = 100	112.6	119.3	119.3	126.5	137.3	135.8	125.0	121.6	116.2	131.2	122.5
Residential Alterations and Repairs											
Current Total $ millions SAAR	70,400	77,500	73,885	75,928	78,356	81,269	83,516	85,075	76,671	79,767	85,594
Maintenance and Repair	32,400	32,700	32,378	33,572	34,610	35,666	36,740	37,469	33,695	35,147	37,965
Additions and Alterations	25,600	29,500	27,556	27,745	28,637	29,633	30,288	30,591	28,089	29,076	30,635
Major Replacements	12,400	14,300	13,950	14,612	15,109	15,970	16,488	17,015	14,638	15,545	16,993
Constant Total Millions $1977 SAAR	40,975	44,866	42,900	43,650	44,600	45,800	46,600	47,000	44,620	45,163	46,588
Maintenance and Repair	18,858	19,179	18,800	19,300	19,700	20,100	20,500	20,700	19,672	19,900	20,663
Additions and Alterations	14,900	17,300	16,000	15,950	16,300	16,700	16,900	16,900	16,400	16,463	16,675
Major Replacements	7,217	8,387	8,100	8,400	8,600	9,000	9,200	9,400	8,548	8,800	9,250
Retail Trade Activity											
Current Total $ Millions SAAR	1,369,400	1,399,296	1,388,316	1,402,856	1,427,173	1,470,054	1,502,536	1,525,418	1,373,941	1,450,655	1,561,366
Total Minus Automobile	1,055,360	1,066,248	1,082,244	1,094,064	1,106,216	1,132,553	1,160,409	1,179,804	1,061,148	1,123,310	1,210,140
Building Material, Hardware, Garden Supply, Mobile Home	73,280	74,328	78,024	83,736	83,297	84,349	85,637	88,274	74,062	84,255	90,179
Building Material and Supply	53,512	53,736	56,976	60,944	61,005	62,165	63,008	65,050	53,841	61,781	66,655
Hardware	10,912	11,116	11,572	11,428	12,125	12,301	12,480	12,817	11,092	12,084	13,097
Constant Total Millions $1982 SAAR	1,279,412	1,307,324	1,286,256	1,300,556	1,310,000	1,336,000	1,352,000	1,359,000	1,282,971	1,324,639	1,370,250
Total Minus Automobile	993,124	1,003,052	1,007,676	1,022,879	1,024,000	1,038,000	1,053,000	1,060,000	996,515	1,034,470	1,071,000
Building Material, Hardware, Garden Supply, Mobile Home	69,827	70,833	73,628	77,774	76,600	76,800	77,200	78,790	70,244	77,094	79,290
Building Material and Supply	50,990	51,209	53,765	56,604	56,100	56,600	56,800	58,060	51,055	56,526	58,605
Hardware	10,398	10,593	10,922	10,614	11,150	11,200	11,250	11,440	10,512	11,054	11,515
Building Materials % of Total Less Automobile ($Current)	5.07	5.04	5.26	5.57	5.51	5.49	5.43	5.51	5.07	5.50	5.51

Data: Department of Commerce
Bureau of Labor Statistics
National Association of Realtors
Department of Housing and Urban Development
June 12, 1986.

The Home Center Industry Outlook runs in two parts, in alternate issues. The first part includes latest data on the General Economic Outlook; Residential Alterations & Repairs; and Retail Trade Activity. The second part includes latest data on regional building material & supply store sales; and industrial production. The *NHCN* Leading Indicator runs every issue.

SAAR—Seasonally Adjusted Annual Rate
p—projection
NHCN chart
Source: Merrill Lynch Economics for *NHCN*

BUSINESS WATCH

Aging population to spur building material boom

(Continued from page 12)
rowers; savings for retirement still has a low priority in financial planning.

Incentives

Incentives for remodeling over relocating are rising. The older population is more settled in careers, and the growth of dual professional families makes moving difficult. Appreciation in housing has fallen to 7% annually, down from 14% in 1978 and 1979. Homeowners, at the national level, will not trade up as easily as in the late 1970's.

Proposed changes to income tax laws, if enacted, will be beneficial to building material sales. The reduction in marginal tax rates lowers the deduction for interest on mortgages and propoerty taxes.

Moving to larger homes becomes more expensive on an after-tax basis. On the positive side, reductions to marginal tax rates make remodeling less expensive. The Packwood Bill (i.e., the tax reform proposal coming out of the Senate Finance Committee) would lower the real cost of consumer purchases as households will take home more of each extra dollar of income.

Building material and supply store sales will remain strong through 1989. After increasing 11% in real volume in 1986, sales will advance 4% in subsequent years. Growth will be stronger than GNP. Changes in economics, aging and incentives for remodeling support higher demand and affordability for these products.

While the economy remains strong and the weakness in housing is limited to multiunits, building material sales will be strong.

Richard E. Mount is senior economist and manager of housing and construction material research for Merrill Lynch Economics.

National's net slips, store, ad costs cited

By an NHCN staff editor

FOUNTAIN VALLEY, Calif. — Increases in ad expenditures and the cost of opening four new stores in 1985 resulted in National Lumber suffering a net loss of $582,089, or 10¢ per share, for the first quarter ended April 30.

The 19-unit chain had a slight increase of 4% in sales for the period to $32,586,777. Earnings for the same period a year ago were $176,791. First quarter figures were reported by the company on June 12.

Mel Jaffe, National's president, blamed the earnings plunge on opening and operating National's newest units in Encinitas, San Bernardino, Fullerton and Fontana, Calif. These stores were responsible for the 25.1% increase in selling and general administrative costs for the chain in the first quarter. Jaffee also asserted $800,000 of National's pretax loss in the first three months of 1986 came from preopening expenses of these stores.

A third factor that impacted negatively on the company's bottom line was the 44% increase in net advertising expenses and a 120% jump in insurance costs incurred by National during this quarter.

Through the first three months of 1986, National has boosted its gross margins 1.4 percentage points to 28.6%. He also noted that the company, because it has no stores scheduled to open the rest of the year, will be able to concentrate on "increasing sales and profitability."

Rickel sales soft, earnings lower

By an NHCN staff editor

WOODBRIDGE, N.J. — Supermarkets General Corporation reported record first quarter sales and earnings results, despite soft sales and lower profits from its Rickel Home Center division.

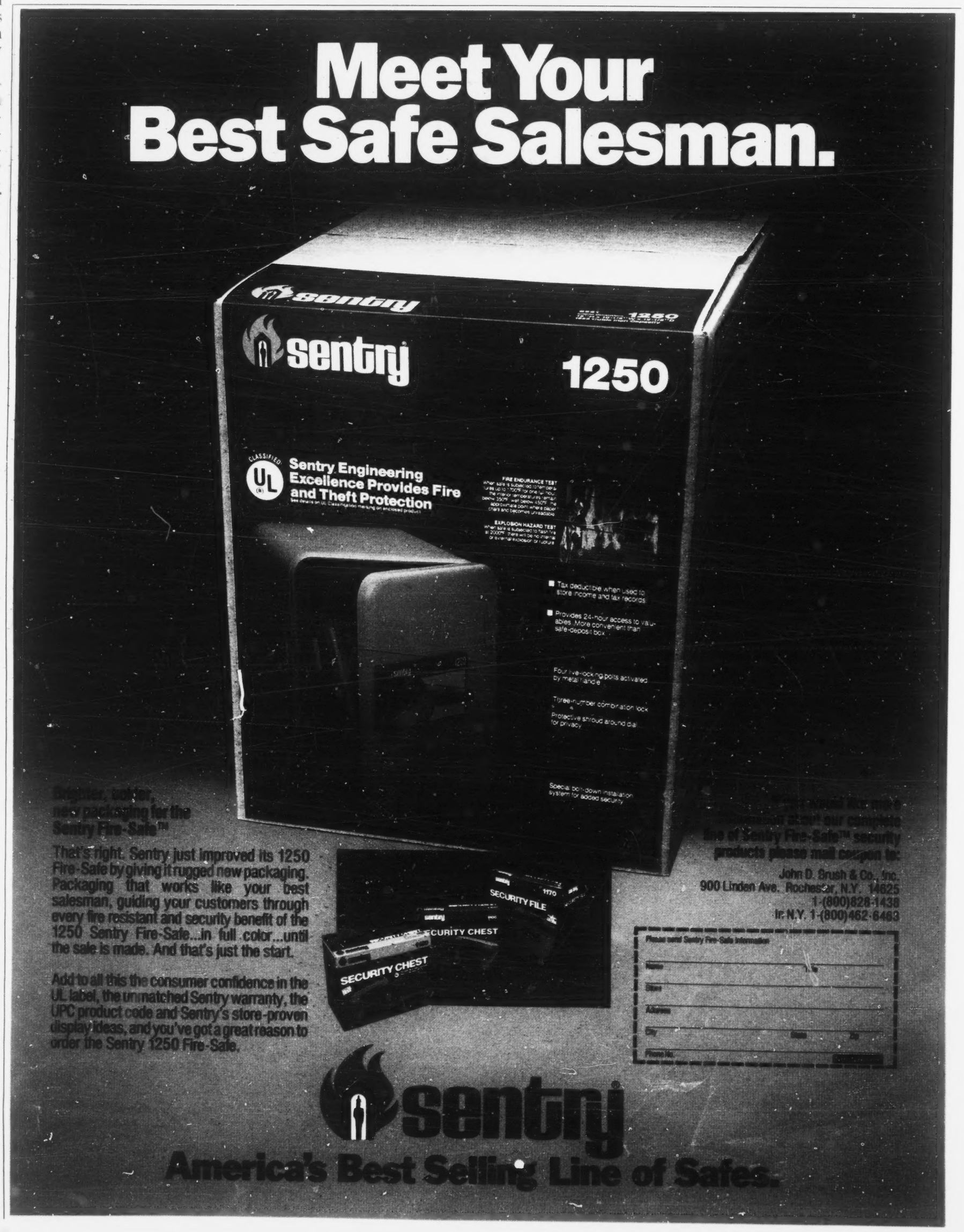
The corporation, whose principal operations consist of the Pathmark and Purity Supreme supermarkets and drug stores, recorded net earnings of $12.3 million, up 4%, for the first quarter ended May 3. Earnings per share were 67¢, compared to 66¢ for the comparable period in 1985. Sales were up 10% from the prior year to $1.34 billion.

The company included the operating results of Angelo's Supermarkets, which was acquired Jan. 31, 1986. Excluding Angelo's sales from the three-month period, Supermarkets General's sales would have risen 6%.

"Taken as a whole, we are pleased with our first quarter performance, which was achieved in a soft retail environment," said Leonard Lieberman, president and ceo. "Operating profit comparisons, however, were unfavorable in the Purity Supreme and Rickel businesses."

Rickel's sales increased 2% to $90.6 million, but operating profit contribution declined due to soft sales and higher expenses as a percent of sales, according to Lieberman. At quarter's end, Rickel had 42 home centers in operation and four new home centers under construction.

Supermarkets General also took a LIFO inventory charge for the first quarter which reduced pretax earnings by $1.1 million compared with a $2.3 million reduction last year, reflecting expectations that product costs during 1986 will be flat. Supermarkets General also noted that average shares outstanding increased, due principally to the sale by the company of 1.2 million shares of common stock on April 9, 1986.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1250
CLASSIFIED UL
Sentry Engineering Excellence Provides Fire and Theft Protection
FIRE ENDURANCE TEST
EXPLOSION HAZARD TEST
Tax deductible when used to store income and tax records.
Provides 24-hour access to valuables. More convenient than safe-deposit box.
Four live-locking bolts activated by metal handle
Three-number combination lock
Protective shroud around dial for privacy
Special bolt-down installation system for added security
Brighter, better, new packaging for the Sentry Fire-Safe™
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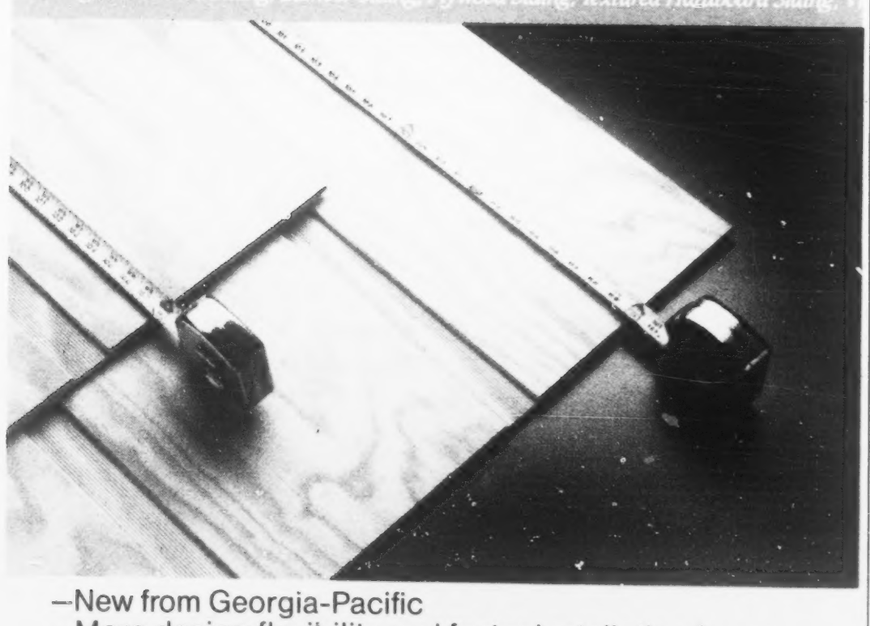

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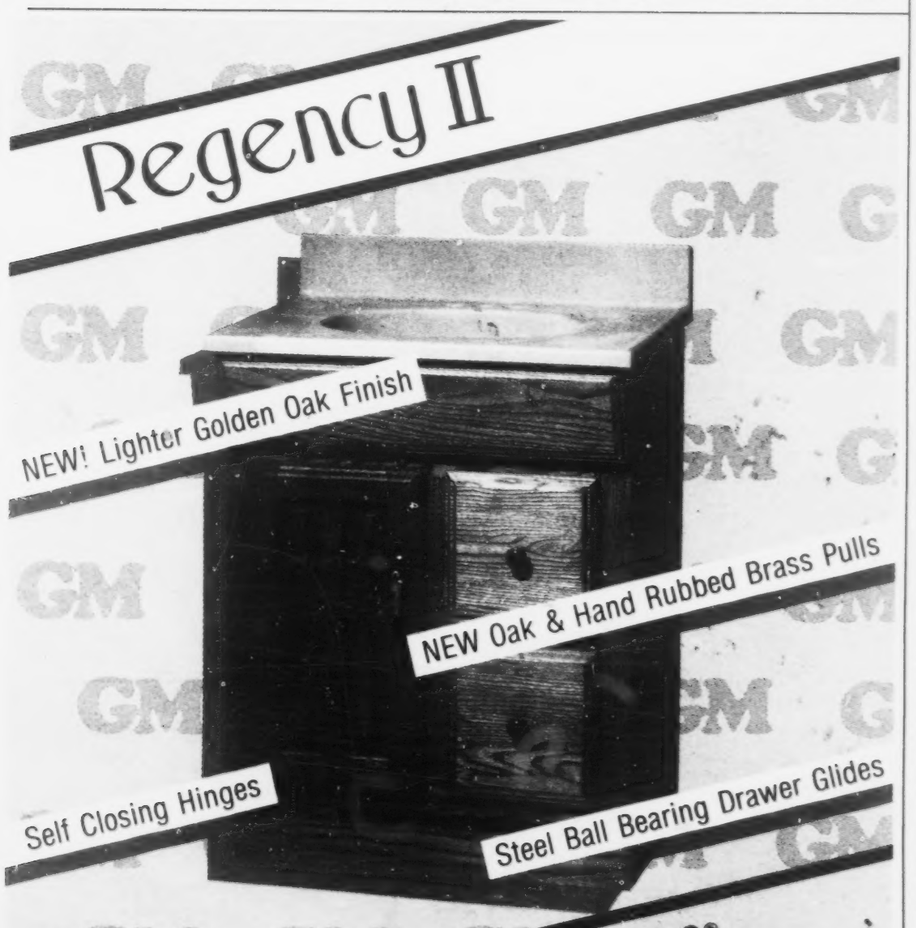
Regency II



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LUMBER REPORT

Lumber execs see U.S. nearer to Canadian softwood duty

By Hawk Furman
Special to NHCN

The United States coalition for Fair Lumber Imports filed a petition with the International Trade Commission (ITC) on May 19 for a countervailing duty .

A 27% duty is sought on Canadian softwood lumber, siding and flooring products. Fence which was included in the 1982 petition was excluded from the current petition.

The U.S. lumber manufacturers who lead the coalition contend that the Canadian government subsidizes the stumpage price to Canadian producers which gives them an unfair cost advantage.

A similar petition filed in 1982 was unsuccessful. The U.S. Commerce Department ruled in May 1983, that "imports of Canadian lumber, shakes and fence are not being subsidized by Canadian federal and provincial governments." The results of this current petition drive could be very different.

Even some key lumber executives in Canada feel that there is a duty in the making. According to *The New York Times*, "Peter Bentley, chairman of the Canfor Corporation, a major Vancouver-based lumber producer, recently said he expected a 'nominal tariff.' " Mike Apsey, president of the Council of Forest Industries, located in Vancouver, points to reinterpretations of trade laws by the Commerce Department.

Couple this with the current Omnibus Trade Bill passed by the House Ways and Means Committee, which if passed by Congress would make it easier to impose a tariff, and you get the feeling that the 1983 decision by the International Trade Administration might not hold up in 1986.

President Reagan, a free trade advocate, had to compromise to get his way on the "fast track" free trade talks with Canada.

It is ironic that the President made an agreement with Senator Bob Packwood that he would help the American sawmill industry if Packwood would lead the vote for the trade talks with "fast track implementing authority."

Reagan in a promised letter to Packwood stated, "Once again, I want you to know that I am committed to finding a rapid and effective solution to the Canadian lumber problem which restores for the American lumber industry a fair opportunity to compete." Then came the shake and shingle countervailing duty.

On May 22, President Reagan put teeth behind his words on helping the U.S. lumber community. He approved a duty on Canadian cedar shingles and shakes, which came in the form of a 35% tariff that became effective June 6. The tariff graduates down after 30 months to 20% and then 8% for the last six months of the five year period.

The immediate response from the Canadians was disbelief and anger. The Canadians countered promptly with imposed sanctions of their own on U.S. goods going into Canada. These products included books, periodicals and other items which add up in volume to $80 million which is the value of the cedar shingle and shake business between the U.S. and Canada.

The ITC will gather information from U.S. manufacturers and wholesalers for review. They held a hearing on June 10. The first week in July they will annouunce the decision on whether to honor the petition or not.

If they find preliminary fault, the petition is handed over to the International Trade Administration (ITA). The ITA then has approximately 90 days to decide tentatively on the case. This would put the decision in mid October 1986.

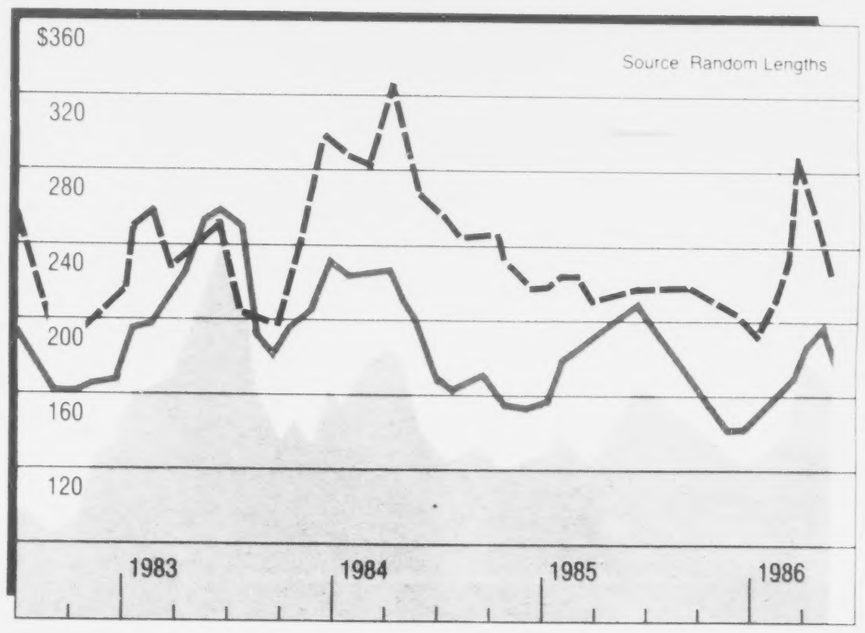
If fault is determined at that time, the U.S. Government could impose a bond requirement in the amount of the proposed tariff while the final determination is being made within 75 more days.

The Canadian lumber import issue is on the front burner again. It looks likely that either by a political settlement or a ruling by the ITA that lumber out of Canada will be costing dealers more by fall, unless President Reagan used the shingle and shake duty as a trial balloon to test the Canadian reaction to softwood lumber tariffs.

The value of red cedar shingle and shakes entering the U.S. from Canada is miniscule at $180 million compared to $2.8 billion in softwood lumber products. The Canadian reaction to the shingle duty was immediate, dramatic and retaliatory. This signal from the Canadians might steer Reagan to influence the proceedings such that a duty on softwood lumber from Canada never becomes reality.

Commodity close-up

Studs and Boards
Average mill monthly prices



Since hitting price peaks in March, prices for studs and boards have been declining. Ponderosa Pine #3 1x12 random dropped to a May average of $238. Southern pine (Western) dropped from $201 a thousand board feet in March to $184, while KD s-p-f held steady at $186 for a May monthly average.

Futures

LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.
Two weeks ended June 5, 1986

	High	Low	Close (Settle)	Previous Week	Open* Interest	Contract High	Contract Low
July '86	170.80	155.10	161.60	169.20	3,307	190.90	144.00
Sept.	166.40	155.80	159.30	165.20	1,742	182.40	145.00
Nov.	162.20	156.20	159.10	161.80	1,071	174.50	146.00
Jan. '87	165.80	160.70	163.30	165.50	297	175.00	150.00
March	166.00	161.60	163.80	166.30	155	175.50	153.00
May	167.00	163.20	164.00	166.50	49	173.00	160.00
July			No Trading				

Total Contract Volume (thru 6/5): 21,542 — **Previous week: 23,213**
Total Open Interest (thru 6/5): 6,621 — **Previous week: 6,317**
Cash Price: $164.64 — **Previous week: $173.46** — **Year ago: $166.60**

CME—Chicago Mercantile Exchange
*Figures for Thursday, June 5
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

ADVERTISING & MARKETING

Top home center television advertising markets—1985
Spending in thousands of dollars for TV time

Market	1985	1984	% change
1. Los Angeles	$ 7,630.5	$ 5,748.3	+ 33
2. Chicago	3,540.3	2,610.7	+ 36
3. Dallas	3,279.9	1,185.5	+177
4. Houston	2,453.1	2,517.4	− 3
5. Miami	2,038.8	1,038.4	+ 96
6. Seattle	1,541.0	238.4	+546
7. Minneapolis	1,299.8	1,184.1	+ 10
8. Tampa, Fla.	1,292.0	1,469.0	− 12
9. Atlanta	1,239.0	680.7	+ 82
10. New York	1,157.6	699.6	+ 65
11. Phoenix	1,135.0	1,351.2	− 16
12. Indianapolis	933.0	487.2	+ 92
13. Nashville	924.3	349.3	+165
14. Philadelphia	892.1	625.3	+ 43
15. Detroit	880.5	90.8	+870
16. Cleveland	877.9	302.3	+190
17. Sacramento, Calif.	834.7	641.1	+ 30
18. Buffalo	779.7	564.7	+ 38
19. Albuquerque, N.M.	778.3	405.0	+ 92
20. Denver	772.0	1,168.5	− 34
21. Norfolk, Va.	766.5	244.8	+213
22. Rochester, N.Y.	759.1	264.2	+187
23. Columbus, Ohio	704.0	499.1	+ 41
24. Portland, Ore.	656.3	156.9	+318
25. Baltimore	646.9	1,258.9	− 49
26. New Orleans	636.3	438.0	+ 45
27. Louisville	607.9	480.7	+ 26
28. Kansas City, Mo.	576.4	591.9	− 3
29. Washington	566.9	1,226.0	− 54
30. Oklahoma City	505.3	327.2	+ 54
31. Tulsa	503.3	450.5	+ 12
32. Cincinnati	488.1	350.3	+ 39
33. Greensboro	450.8	262.1	+ 72
34. Boston	436.0	341.0	+ 28
35. Salt Lake City	429.5	435.0	− 1
36. Providence, R.I.	395.2	293.1	+ 35
37. Omaha	378.3	263.6	+ 44
38. Milwaukee	359.4	461.3	− 22
39. Little Rock, Ark.	357.0	160.5	+122
40. Raleigh, N.C.	331.5	340.0	− 2
41. San Antonio	307.3	723.3	− 58
42. Des Moines	292.4	343.5	− 15
43. Charleston, S.C.	288.7	272.8	+ 6
44. Mobile, Ala.	278.8	302.6	− 25
45. Charlotte, N.C.	270.7	331.3	− 18
46. Orlando, Fla.	261.7	662.6	− 61
47. Cedar Rapids, Iowa	257.1	315.7	− 19
48. San Diego	221.6	161.2	+ 37
49. Shreveport, La.	204.7	307.4	− 33
50. Flint, Mich.	195.8	175.8	+ 11
51. Jacksonville, Fla.	194.5	330.7	− 41
52. Spokane, Wash.	193.5	37.7	+413
53. Albany	193.4	113.2	+ 71
54. Fresno, Calif.	184.3	295.6	− 38
55. Greenville, S.C.	179.6	88.7	+102
56. Wichita, Kan.	177.1	293.7	− 40
57. Birmingham, Ala.	163.8	126.0	+ 30
58. Memphis	161.3	269.7	− 40
59. West Palm Beach, Fla.	160.8	413.2	− 61
60. Green Bay, Wis.	145.5	198.0	− 27
61. Hartford	131.7	130.1	+ 1
62. Champaign, Ill.	124.4	121.6	+ 2
63. Portland, Me.	110.8	48.0	+131
64. Dayton, Ohio	90.3	300.7	− 70
65. Grand Rapids, Mich.	82.8	37.5	+121
66. San Francisco	87.4	121.4	− 28
67. Roanoke, Va.	76.4	59.6	+ 28
68. Harrisburg, Pa.	61.8	48.9	+ 26
69. Richmond	60.4	40.0	+ 51
70. St. Louis	50.4	81.3	− 38
71. Syracuse	39.5	120.7	− 67
72. Scranton, Pa.	35.7	115.2	− 69
73. Knoxville, Tenn.	0.3	2.7	− 8
74. Pittsburgh	0.0	240.0	−100
Top 10	**25,472.0**	**17,372.1**	**+ 47**
Top 25	**37,812.3**	**25,781.4**	**+ 47**
Top 50	**47,413.0**	**35,798.8**	**+ 32**
Top 74	**50,118.7**	**39,433.0**	**+ 27**

Source: Television Bureau of Advertising from Broadcast Advertisers Reports data. Co-op advertising is not included in the above figures.

Top 25 markets garner $38 mil. in home center TV ad spending

By an NHCN staff editor

NEW YORK — Home center chains spent $37.8 million on television advertising in 1985 in the top 25 major home center markets, or 47% more than in the previous year. In all markets, home centers spent $50.1 million during 1985 on TV use, a 27% increase from 1984, according to a market analysis released to *NHCN* from the Television Bureau of Advertising (TvB).

The analysis not only ranks the hottest TV advertising markets for home center retailers, but also reveals significant fluctuations in TV ad spending that reflect the changes that occurred in the major markets last year. The following is a rundown of the markets that experienced dramatic increases in TV ad spending:

• Detroit: With Home Depot announcing plans (now aborted) to move into the market in 1985 and with Builders Square actually opening two stores, it is not surprising that dealers in this market used advertising to preempt this potential competition. Ad expenditures in Detroit rose 870% over the same period one year ago. Builders Square alone accounted for 64.6% of the $880,500 spent on TV use here, as tracked by TvB. Forest City increased spending 250% to $186,900 in 1985.

• Seattle: This market realized an increase of 546% last year in TV advertising, with chains such as Lumbermen's spending $234,300 and Pay 'N Pak spending $861,100. According to TvB, total expenditures in this market among home center chains were $1.541 million in 1985 versus $238,400 in 1984. Pay 'N Pak's advertising dollars also appeared to have considerable impact in Spokane, Wash., and Portland, Ore., which were the third and fourth ranked fastest growing TV advertising markets. They experienced 413% and 318% increases, respectively.

• Norfolk, Va.: Up 213% in 1985 from 1984, TV advertising expenditures here came largely from HomeQuarters Warehouse, which entered the market in 1985 and spent $437,900; and Hechinger which spent $191,300.

• Dallas/Fort Worth: Climbing to second place over the Houston market in 1985, Dallas/Ft. Worth realized a 177% increase in TV ad spending over 1984. The Home Depot moved into the market with its acquisition of six Bowater stores here, and spent $776,100 on TV use. Payless Cashways remains the advertising spending leader in Dallas and increased its own ad budget 82.9% according to the TvB's numbers to $1.5 million in 1985. TV expenditures by home centers in Dallas were probably much higher than reported by TvB, which did not

(Continued on page 54)

New FinishOff™ from Savogran: think of it as a stock option.

Some customers prefer a remover without methylene chloride. Now you can give them that option: FinishOff™ paint and varnish remover from Savogran.

Give your customers a choice: FinishOff,™ plus a full line of remover products including Strypeeze.® Backed by a prime selection of merchandising aids. That's Savogran Know-How, Show-How. And it keeps stock moving.

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Doors that don't hang around long... New La Door

The last thing the retailer needs is an interior door that overstays its welcome. This won't happen with Wing's new La Door.

Crafted from clear Ponderosa Pine, this stylish French interior door is available in both multi-fold and standard door sizes. La Door features quality glass panels, tempered for strength and safety, brass accent strips for that natural caming look and a one-of-a-kind gasket system that secures the glass panels and eliminates rattling.

Like all Wing products, La Door is backed by a solid merchandising effort. And with the addition of La Door, Wing has the largest product mix available in today's market.

For more information, call 1-800-341-WING.
In Texas: (214) 699-9900.

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Dallas, TX

WING

Are you roped into stocking too much inventory?

Riviera Built-to-Order cabinets add profit, not inventory.

Riviera Cabinets are the high profit cabinets that will increase sales by adding more quality to your product line, not boxes to a knotted inventory. That's because Riviera cabinets are Built-to-Order, which means you never stock cabinets, just display them. For information, call 804/424-7400 or write Riviera Cabinets, Inc., Suite 200, 825 Greenbrier Circle, Chesapeake, Virginia 23320.

RIVIERA CABINETS, INC.
Built-to-Order. Built-to-Last.

Knox ad goal: Out-think, don't outspend rivals

By an NHCN staff editor

ST. PAUL — Whether it's a locomotive smashing another home center's low prices or a sushi chef destroying his house because he could have found lower prices, Knox Lumber's TV ads are attention-getters.

Not only has the five-year-long campaign boosted Knox's name recognition, but the TV ads have racked in a slew of advertising industry awards for the firm's ad agency.

It wasn't always that way.

Back in 1980, for example, a typical Knox TV spot featured product and price, a TV screen filled with the sight of a power drill and a price tag. Then the scene switched to an array of hand tools.

Ruth Brophy looked up from the screen and shook her head.

"Like everyone else," said Brophy, advertising manager for Knox Lumber, which operates 10 home centers in Minnesota, Montana, North and South Dakota averaging 22,000 sq. ft. In 1985, the chain generated $118 million in sales. While just 30% of its ad budget is spent on TV commercials, they look like they cost much more.

Since the 1970's, Knox used a local ad agency for their product and price commercials. But in 1979, a young, creative ad man named Tom McElligott agreed to work with Knox. He spent his lunch hours "moonlighting" at Knox to develop a long term ad strategy. McElligott first developed Knox's short "how to" TV commercials for name recognition.

In 1981, Knox began its own in-house agency for run-of-press (ROP) advertising which accounts for 70% of its annual ad budget. In 1982 McElligott started his own agency—Fallon, McElligott, Rice.

"We agreed on the premise that you can't outspend your competition so you've got to out-think them," explained Brophy who came aboard at Knox in 1981. "The first premise was customer service."

Supporting Knox's opening of an answer booth in each of its stores, Fallon, McElligott, Rice created the "runaround" commercials. A bewildered customer bounces around a home center set, utterly lost.

"The 'runaround' is a dance made popular by warehouse home centers," said a narrator. When the exasperated customer finally comes to rest at a Knox answer booth, the narrator says: "Knox. Good prices. Good answers," which continues to be Knox's TV credo.

In 1983 Knox began its category promotions, each with a separate commercial:

- Promoting paint, Knox's agency brought out the American husband commercial. A burly, balding man stands on a ladder holding aloft a paint roller. He and the ladder are spattered with pink paint. "Put your husband on a pedestal," the narrator urges.
- Spotlighting Knox's help in the electrical and plumbing sectors, the "Amityville Horror" commercial was developed and won the ad industry's highest award, the Cleo. The commerical shows a night scene at the outside of a suburban two-story home. As the narrator explains "he thought he'd figure it out himself," the house lights flicker and go out, water spews forth from the lawn and the sidewalk light explodes.
- To illustrate "Good Prices. Good Answers" for lumber and building materials, Fallon, McElligott, Rice used a black and white commercial

(Continued on page 55)

Top 25 markets garner $38 million in home center TV ad spending

(Continued from page 53)

include in its calculations the entry into the market of Lowe's, which acquired eight Boise Cascade units.

TvB also lists the markets in which there were ad expenditure declines by home centers, the most prominent of which being Washington and Baltimore. Ad dollars fell 54% and 49%, respectively. Other markets where home center ad spending declined include: Dayton, Ohio, down 70%; Syracuse 67%; Scranton, Pa., 69%; and Orlando, Fla., 61%.

Fastest growing markets

Market		% Change
1	Detroit	+870
2	Seattle	+546
3	Spokane, Wash.	+413
4	Portland, Ore.	+318
5	Norfolk, Va.	+213
6	Cleveland	+190
7	Rochester, N.Y.	+187
8	Dallas/Fort Worth	+177
9	Nashville	+165
10	Portland, Me.	+131

Source: Television Bureau of Advertising from Broadcast Advertisers Reports data. Co-op advertising is not included in the above figures.

Special Announcement!

EVERYTHING YOU NEED NOW...
EVERYTHING YOU'LL WANT NEXT.

As the construction industry's top source of professionally approved Caulkings, Sealants and Adhesives for the past twenty years, we feel the time is right for the nation's millions of eager-beaver do-it-yourselfers to get the same benefits and advantages as the professionals, with:

- a wide, versatile line that will satisfy the needs of all of your do-it-yourself customers ...each with the ability to satisfy a specific requirement, solve a particular problem.
- a product line that performs to the highest expectations...does the job right the first time...time after time.

THE PRODUCT LINE IS GREAT. HOW ABOUT YOUR PROFIT LINE?

OSI's home centers, chains and mass merchandisers Profit Programs assure you of top, immediate sales and profits on every sale. No such thing as a warehouse full of products that don't move — no slow movers that tie up your inventory dollars.

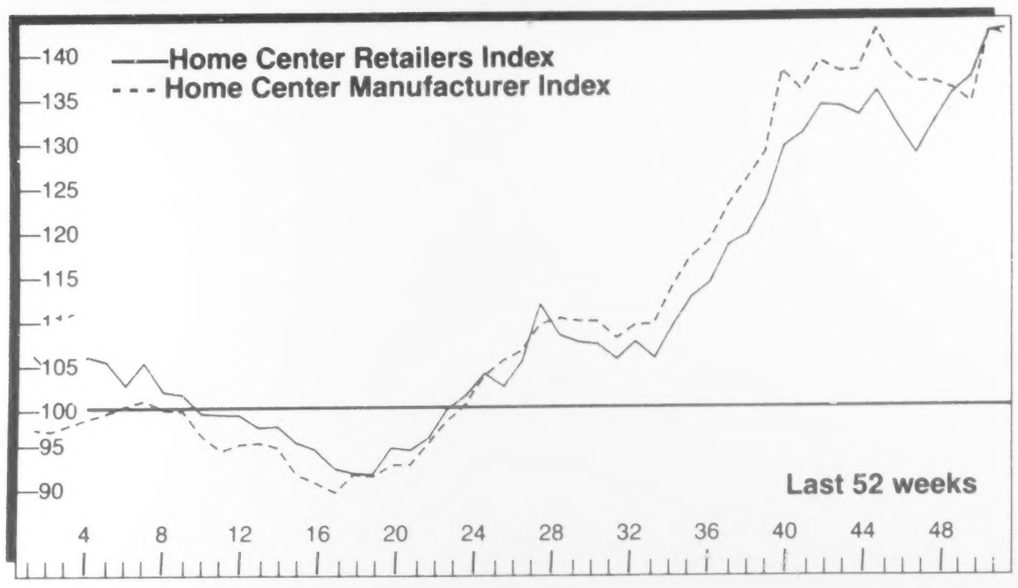
Consumers know the OSI-Brand line of Caulkings, Sealants and Adhesives. Month-after-month, they're reminded with bold, colorful advertising in their favorite hobby, remodeling and handyman magazines. Their acceptance of the OSI-brand name lets you lead the way (with OSI's assistance) with the fastest-moving line in the industry. We welcome the opportunity to prove it to you (see the Coupon).

YOU CAN DO IT ALL... WITH A LITTLE HELP FROM YOUR FRIENDS AT OSI.

OSI won't sign you up, load up your warehouses, and let you and your dealers face that big competitive world alone. No, sir. You'll be an active participant, right from the start, with:

- Pricing that's always market competitive.
- On-time shipping and delivery.
- National consumer advertising, throughout the year.
- Special extra-profit warehouse allowance programs.
- Consumer rebate offers and savings programs.
- Outstanding, colorful selling tools.
- Displays, point-of-purchase and signage programs.
- Product and application training sessions for your sales and service people.
- Co-op local advertising programs.
- Catalogs, flyers, how-to-do-it brochures.

FINANCIAL NEWS

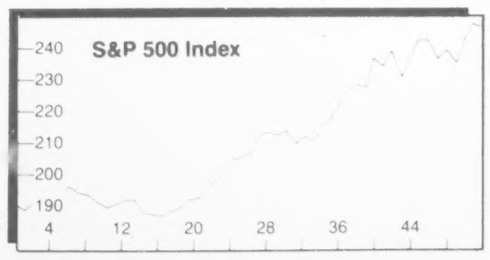


The home center retailer and manufacturer stock market indices are a measurement of the changes in aggregate market value compared to their value on Feb. 1, 1985, which has been set to equal 100 on the index. Aggregate market value is the sum of each stock's price multiplied by its number of shares outstanding, adjusted to eliminate the effects of additions or deletions of companies to the *NHCN* stock list.

Most Active Stocks

Company & Market	Total 2-Week Volume	Volume Trend Change	2-Week Price Change
6-13-86	(100)	%	%
Mich General A	4,703	387.1	11.8
Clopay Corp A	764	325.9	11.1
USG Corp N	15,053	247.0	- 3.0
Erb Lumber M	287	233.0	8.8
Macmillan Blodel M	988	220.0	4.6
Svc Merchandise M	44,662	199.3	- 2.0
Hechinger A M	7,932	196.4	- 6.9
Lowe's Cos N	14,935	159.9	- 8.6
Wickes Cos A	167,704	153.7	.0
Wolohan Lumber M	3,505	152.7	2.5

The Volume Trend Change is the per cent difference between the latest 2-week average volume and the previous 12-week average volume.*



Price Movement

Company & Market	2-Weeks Ended 6-13-86	2-Week Price Change	Total 2-Week Volume
Winners	$	%	(100)
Clopay Corp A	22.50	11.1	764
Newell Co N	36.38	10.2	1,501
Manville Cp N	3.00	9.1	14,300
Erb Lumber M	77.00	8.8	287
Masco Corp N	32.13	8.4	28,434
Armstrng Wrld N	69.50	5.9	8,148
Macmillan Blodel M	25.50	4.6	988
Zayre Corp N	84.00	3.7	6,469
Std Brd Pnt N	25.00	3.6	5,378
INTERCO Inc N	90.13	3.6	3,516
Losers	**$**	**%**	**(100)**
Waxman Ind M	13.75	- 15.4	820
Homecrafters Whse M	.75	- 14.3	1,227
Mich General A	3.75	- 11.8	4,703
Lowe's Cos N	37.38	- 8.6	14,935
Lewis Palmer M	8.13	- 7.1	565
Hechinger A M	27.00	- 6.9	7,932
Mor-Flo Inds M	15.50	- 6.1	240
Stanley Works N	42.38	- 6.1	3,850
Insilco Corp N	21.88	- 5.9	4,961
Sherwin-Wms N	28.38	- 5.4	6,261

National Home Center News

HOME CENTER MARKET SUMMARY

Company and Market	Stock Market: Price: 2-Weeks Ended 6-13-86 $	2-Weeks Change: Amt. $	2-Weeks Change: Pct. %	2-Week Range: High $	2-Week Range: Low $	52-Week Range: High $	52-Week Range: Low $	Volume: 2-Weeks Shares Traded: Total (100)	Volume: 2-Weeks Shares Traded: % Out %	Volume: 12-Week Avg. Vol. As % Out %	Volume Trend Change %	P/E Ratio -	Indicated Divd. Rate: Amt. $	Indicated Divd. Rate: Yld. %	Latest Report: New Report -	Latest Report: Period -	Latest Report: Date Ended -	Latest Quarter: Revenue: Amt. $Mil	Latest Quarter: Revenue: Chg. %	Latest Quarter: Net Income: Amt. $Mil	Latest Quarter: Net Income: Chg. %	Latest Quarter: E.P.S.: Amt. $	Latest Quarter: E.P.S.: Chg. %	Year-to-Date: Revenue: Amt. $Mil	Year-to-Date: Revenue: Chg. %	Year-to-Date: Net Income: Amt. $Mil	Year-to-Date: Net Income: Chg. %	Year-to-Date: E.P.S.: Amt. $	Year-to-Date: E.P.S.: Chg. %
Retailers																													
Color Tile M	22.50	- .63	- 2.7	22.75	21.88	23.50	16.88	2,505	2.65	2.31	14.7	15.0	.00	.0	.....	9 mos.	03-86	97.9	7.9	3.4	9.7	.36	9.1	280.1	12.3	10.0	7.5	1.06	5.0
Erb Lumber M	77.00	6.25	8.8	77.00	70.00	77.00	20.75	287	3.43	1.03	233.0	11.2	.00	.0	NEW	3 mos.	03-86	35.1	29.5	(.3)	NE	(.38)	NE	35.1	29.5	(.3)	NE	(.38)	NE
Forest City Ent A	31.00	1.00	3.3	31.25	30.50	31.25	21.63	220	.54	.31	74.2	43.1	.30	1.0	.....	fiscal	01-86	81.0	7.6	2.1	133.3	.27	200.0	281.0	6.2	5.7	46.2	.72	46.9
Grace W R N	55.50	- 3.13	- 5.3	59.38	55.50	60.75	35.50	15,311	2.81	2.88	- 2.4	27.5	2.80	5.0	.....	3 mos.	03-86	1250.5	- 20.9	(3.1)	- 100.0	(.08)	- 100.0	1250.5	- 20.9	(3.1)	- 100.0	(.08)	- 100.0
Handyman A	31.50	- .50	- 1.6	31.63	31.00	36.00	21.75	317	1.23	.70	75.7	NA	.20	.6	NEW		03-86	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger A M	27.00	- 2.00	- 6.9	29.50	27.00	29.50	16.00	7,932	9.07	3.06	196.4	NA	.16	.6	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B M	27.75	- 1.25	- 4.3	29.50	27.25	29.50	16.00	457	.19	.19	.0	27.8	.08	.3	.....	3 mos.	04-86	136.9	19.5	4.9	28.9	.20	17.6	136.9	19.5	4.9	28.9	.20	17.6
Homecrafters Whse M	.75	- .13	- 14.3	1.00	0.75	8.75	.75	1,227	4.34	1.85	134.6	NE	.00	.0	.....	9 mos.	10-85	45.4	9.9	(10.2)	NE	(3.62)	NE	143.0	18.0	(13.5)	NE	(4.80)	NE
Home Depot N	20.88	.25	1.2	21.25	19.88	21.25	10.50	9,529	3.79	2.77	36.8	46.4	.00	.0	NEW	3 mos.	04-86	222.6	53.5	5.1	168.4	.20	150.0	222.6	53.5	5.1	168.4	.20	150.0
INTERCO Inc N	90.13	3.13	3.6	90.50	85.50	90.50	62.75	3,516	2.47	1.30	90.0	15.4	3.08	3.4	.....	fiscal	02-86	583.0	.4	30.9	NC	1.95	54.8	2510.7	- 4.4	92.3	27.8	5.84	31.2
K mart Cp N	53.38	.88	1.7	53.88	50.75	53.88	30.63	66,938	5.32	3.29	61.7	27.1	1.48	2.8	.....	3 mos.	04-86	5212.4	4.6	91.6	56.6	.70	52.2	5212.4	4.6	91.6	56.6	.70	52.2
Lowe's Cos N	37.38	- 3.50	- 8.6	40.75	35.88	41.50	20.75	14,935	3.82	1.47	159.9	23.1	.40	1.1	.....	3 mos.	04-86	534.0	18.1	11.4	- 4.2	.31	- 6.1	534.0	18.1	11.4	- 4.2	.31	- 6.1
Mich General A	3.75	- .50	- 11.8	4.38	3.25	6.13	3.25	4,703	4.14	.85	387.1	NE	.00	.0	.....	3 mos.	03-86	91.2	3.5	(5.9)	NE	(.53)	NE	91.2	3.5	(5.9)	NE	(.53)	NE
Natl Hardgoods M	7.75	.25	3.3	7.75	7.25	9.00	5.50	144	1.17	.67	74.6	18.5	.00	.0	NEW	3 mos.	04-86	6.5	- 3.0	.0	- 100.0	.03	200.0	6.5	- 3.0	.0	- 100.0	.03	200.0
Natl Lumber M	6.25	- .25	- 3.8	7.00	5.88	7.25	4.00	1,275	2.26	.96	135.4	NE	.00	.0	NEW	*	01-86	NC	NC	NC	NC	NC	NC	135.9	NC	(.2)	NC	(.03)	NC
Pay N Pak N	18.63	- .38	- 2.0	19.13	18.00	19.38	11.63	3,480	3.48	2.78	25.2	22.7	.64	3.4	.....	fiscal	02-86	74.5	21.1	1.3	8.3	.13	8.3	333.7	9.3	8.2	- 18.8	.82	- 18.8
Payless Cash N	26.75	.38	1.4	26.88	24.38	27.50	13.50	14,454	4.17	2.71	53.9	23.5	.16	.6	.....	3 mos.	02-86	274.5	7.7	2.4	50.0	.07	40.0	274.5	7.7	2.4	50.0	.07	40.0
Scotty's Inc N	17.75	- .13	- .7	18.13	16.88	18.13	12.38	1,444	1.00	.74	35.1	16.7	.52	2.9	.....	9 mos.	03-86	128.4	5.5	4.1	- 18.0	.28	- 26.3	359.3	7.9	9.7	- 19.2	.67	- 25.6
Sears, Roebuck N	47.25	- .38	- .8	48.88	45.00	50.38	31.75	90,927	2.50	1.20	108.3	13.7	1.76	3.7	.....	3 mos.	03-86	9390.3	7.1	195.3	- 12.5	.52	- 13.3	9390.3	7.1	195.3	- 12.5	.52	- 13.3
Svc Merchandise M	12.38	- .25	- 2.0	13.25	12.13	16.13	10.88	44,662	13.41	4.48	199.3	NE	.08	.6	.....	3 mos.	03-86	457.1	31.7	(29.2)	NE	(.88)	NE	457.1	31.7	(29.2)	NE	(.88)	NE
Std Brd Pnt N	25.00	.88	3.6	25.63	22.88	25.63	18.75	5,378	26.58	11.18	137.7	19.8	.58	2.3	NEW	3 mos.	04-86	77.8	- 3.8	3.3	- 31.3	.29	- 32.6	77.8	- 3.8	3.3	- 31.3	.29	- 32.6
Supermkts Gen N	60.50	- 1.38	- 2.2	63.88	60.25	63.88	39.88	3,034	1.58	1.36	16.2	16.9	.56	.9	NEW	3 mos.	04-86	1337.3	10.0	12.3	4.2	.67	1.5	1337.3	10.0	12.3	4.2	.67	1.5
Wickes Cos A	6.25	.00	.0	6.63	5.63	7.00	3.88	167,704	12.15	4.79	153.7	NA	.00	.0	NEW		04-86	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Wolohan Lumber M	10.25	.25	2.5	10.75	10.00	10.75	5.25	3,505	5.99	2.37	152.7	16.0	.16	1.6	.....	3 mos.	03-86	28.1	21.6	(.1)	NE	(.02)	NE	28.1	21.6	(.1)	NE	(.02)	NE
Zayre Corp N	84.00	3.00	3.7	84.38	77.50	84.38	47.75	6,469	2.17	1.43	51.7	25.8	.64	.8	.....	3 mos.	04-86	1044.5	32.2	16.7	9.9	.56	5.7	1044.5	32.2	16.7	9.9	.56	5.7
Wholesalers																													
Lewis Palmer M	8.13	- .63	- 7.1	8.75	7.88	9.88	6.38	565	1.44	.91	58.2	32.5	.28b	3.4	.....	3 mos.	04-86	33.8	2.4	.1	NC	.02	NC	33.8	2.4	.1	NC	.02	NC
Manufacturers																													
Allegheny Int N	20.75	- .38	- 1.8	21.38	18.63	28.75	16.50	5,454	5.07	2.44	107.8	NE	.00	.0	.....	3 mos.	03-86	467.2	- 7.3	11.9	133.3	.41	NE	467.2	- 7.3	11.9	133.3	.41	NE
Am Standard N	42.00	.50	1.2	42.25	38.50	46.88	27.00	10,016	2.55	1.36	87.5	10.8	1.60	3.8	.....	3 mos.	03-86	715.0	6.8	50.2	147.3	1.30	150.0	715.0	6.8	50.2	147.3	1.30	150.0
Armstrng Wrld N	69.50	3.88	5.9	69.88	65.25	69.88	31.88	8,148	3.40	1.57	116.6	15.8	1.44	2.1	.....	3 mos.	03-86	430.9	14.4	22.9	27.9	.95	26.7	430.9	14.4	22.9	27.9	.95	26.7
Black & Decker N	21.38	- .38	- 1.7	21.75	20.13	25.25	17.25	13,959	2.42	4.08	- 40.7	43.6	.64	3.0	.....	6 mos.	03-86	415.1	3.0	1.6	- 89.2	.02	- 93.1	936.8	3.4	22.5	- 48.6	.43	- 50.0
Boise Cascade N	58.00	- 1.25	- 2.1	59.00	56.88	59.88	39.63	9,158	3.38	1.61	109.9	18.4	1.90	3.3	.....	3 mos.	03-86	916.6	- 4.3	25.0	- 24.9	.83	- 25.9	916.6	- 4.3	25.0	- 24.9	.83	- 25.9
Certain-teed N	36.38	- 1.00	- 2.7	38.50	35.25	38.50	22.38	1,980	1.04	1.06	- 1.9	12.6	.90	2.5	.....	3 mos.	03-86	255.0	.8	10.5	28.0	.56	36.6	255.0	.8	10.5	28.0	.56	36.6
Champ Intl N	26.00	- 1.00	- 3.7	27.13	25.13	29.75	20.25	18,801	2.02	1.78	13.5	19.1	.52	2.0	.....	3 mos.	03-86	1122.3	- 31.8	22.0	- 49.8	.20	- 53.5	1122.3	- 31.8	22.0	- 49.8	.20	- 53.5
Clopay Corp A	22.50	2.25	11.1	23.00	20.00	23.00	11.25	764	4.94	1.16	325.9	NE	.16	.7	.....	3 mos.	03-86	32.4	11.0	.4	NE	.25	NE	32.4	11.0	.4	NE	.25	NE
DeSoto Inc N	40.25	- .25	- .6	41.00	40.00	41.38	31.50	255	.53	.58	- 8.6	12.2	1.40	3.5	.....	3 mos.	03-86	96.8	4.1	2.4	200.0	.51	200.0	96.8	4.1	2.4	200.0	.51	200.0
Emhart Corp N	37.75	- .75	- 1.9	38.50	36.50	42.63	26.38	3,699	1.34	1.41	- 5.0	12.6	1.40	3.7	.....	3 mos.	03-86	509.6	21.4	18.0	16.9	.65	16.1	509.6	21.4	18.0	16.9	.65	16.1
Georgia-Pacifc N	32.50	- .13	- .4	32.88	30.50	33.75	20.63	25,798	2.58	1.46	71.2	23.9	.80	2.5	.....	3 mos.	03-96	1604.0	1.5	30.0	- 38.8	.25	- 41.9	1604.0	1.5	30.0	- 38.8	.25	- 41.9
Insilco Corp N	21.88	- 1.38	- 5.9	23.75	21.75	24.50	16.63	4,961	2.52	1.44	75.0	15.9	1.00b	4.6	.....	3 mos.	03-86	180.3	- 8.6	6.8	13.3	.34	3.0	180.3	- 8.6	6.8	13.3	.34	3.0
La Pacific N	27.63	- .13	- .5	28.13	26.50	30.13	17.13	5,745	1.57	1.35	16.3	40.0	.80b	2.9	.....	3 mos.	03-86	322.6	19.0	1.4	- 41.7	.04	- 42.9	322.6	19.0	1.4	- 41.7	.04	- 42.9
Macmillan Blodel M	25.50	1.13	4.6	25.50	24.00	26.50	12.47	988	.32	.10	220.0	19.0	.25b	1.0	.....	3 mos.	03-86	613.2	13.9	29.2	1023.1	.68	NE	613.2	13.9	29.2	1023.1	.68	NE
Manville Cp N	3.00	.25	9.1	3.25	2.63	8.88	2.50	14,300	5.96	7.02	- 15.1	NE	.00	.0	.....	3 mos.	03-86	455.5	5.1	12.0	- 1.6	.24	- 4.0	455.5	5.1	12.0	- 1.6	.24	- 4.0
Masco Corp N	32.13	2.50	8.4	32.50	29.38	32.50	15.25	28,434	2.21	.88	151.1	24.3	.32	1.0	.....	3 mos.	03-86	308.0	34.5	45.1	27.0	.35	12.9	308.0	34.5	45.1	27.0	.35	12.9
Mor-Flo Inds M	15.50	- 1.00	- 6.1	16.25	15.50	19.63	14.50	240	.95	.46	106.5	12.1	.01	.1	.....	3 mos.	03-86	52.4	.0	.7	- 58.8	.28	- 56.9	52.4	.0	.7	- 58.8	.28	- 56.9
Newell Co N	36.38	3.38	10.2	36.63	32.13	36.63	15.13	1,501	1.51	1.20	25.8	16.7	.70	1.9	.....	3 mos.	03-86	94.5	18.9	4.1	28.1	.44	25.7	94.5	18.9	4.1	28.1	.44	25.7
Owens Corning N	49.50	- 2.13	- 4.1	52.13	48.00	56.75	32.13	8,465	2.84	1.84	54.3	11.7	1.40	2.8	.....	3 mos.	03-86	866.1	27.7	22.9	- 18.2	.77	- 18.9	866.1	27.7	22.9	- 18.2	.77	- 18.9
Ply-Gem A	14.50	.13	.9	14.75	14.13	15.50	9.59	2,417	3.29	1.77	85.9	20.1	.12	.8	.....	3 mos.	03-86	50.6	24.3	2.0	81.8	.26	30.0	50.6	24.3	2.0	81.8	.26	30.0
Pope & Talbot N	20.88	- .38	- 1.8	21.13	19.88	24.75	16.75	1,233	2.06	.93	121.5	32.1	.80	3.8	.....	3 mos.	03-86	74.1	- 10.8	(.5)	- 100.0	(.09)	- 100.0	74.1	- 10.8	(.5)	- 100.0	(.09)	- 100.0
Potlatch Cp N	48.88	- 1.50	- 3.0	50.88	46.50	50.88	32.25	2,172	1.67	1.21	38.0	19.8	1.56	3.2	.....	3 mos.	03-86	233.3	- .6	13.6	18.3	.95	41.8	233.3	- .6	13.6	18.3	.95	41.8
Sherwin-Wms N	28.38	- 1.63	- 5.4	31.00	27.50	32.25	16.63	6,261	1.36	.76	78.9	17.3	.50	1.8	.....	3 mos.	03-86	502.7	2.2	6.9	21.1	.15	15.4	502.7	2.2	6.9	21.1	.15	15.4
SW Forest Ind N	13.63	- .75	- 5.2	14.25	13.25	15.88	9.88	1,552	1.53	1.30	17.7	NE	.00	.0	.....	3 mos.	03-86	142.5	- 16.4	(8.0)	NE	(.94)	NE	142.5	- 16.4	(8.0)	NE	(.94)	NE
Stanley Works N	42.38	- 2.75	- 6.1	45.13	40.00	46.25	27.63	3,850	1.38	.77	79.2	14.8	1.04	2.5	.....	3 mos.	03-86	324.2	17.1	14.7	5.0	.53	1.9	324.2	17.1	14.7	5.0	.53	1.9
Thos Inds N	22.75	.38	1.7	23.38	22.00	26.75	14.41	708	.79	.53	49.1	12.4	.68b	3.0	.....	3 mos.	03-86	70.8	- 4.2	3.2	.0	.36	5.9	70.8	- 4.2	3.2	.0	.36	5.9
USG Corp N	79.50	- 2.50	- 3.0	85.50	75.75	85.50	36.63	15,053	4.65	1.34	247.0	11.3	1.92	2.4	.....	3 mos.	03-86	622.1	5.7	51.7	21.6	1.62	26.6	622.1	5.7	51.7	21.6	1.62	26.6
Walter, Jim N	42.50	- 2.13	- 4.8	44.50	40.50	48.00	26.00	9,205	3.48	1.85	88.1	10.7	1.40	3.3	.....	6 mos.	02-86	517.0	- 1.8	18.3	22.0	.26	- 52.7	1079.1	- .5	50.0	18.8	1.42	- 7.8
Waxman Ind M	13.75	- 2.50	- 15.4	16.00	13.50	17.13	10.00	820	2.61	2.57	1.6	17.0	.08	.6	.....	9 mos.	03-86	25.3	23.4	.7	40.0	.23	NE	70.1	14.2	1.8	5.9	.58	- 12.1
Weyerhaeuser N	36.00	- 1.13	- 3.0	37.25	33.88	40.25	24.75	23,305	1.79	.97	84.5	25.9	1.30	3.6	.....	3 mos.	03-86	1306.7	2.4	50.0	30.9	.31	29.2	1306.7	2.4	50.0	30.9	.31	29.2

All data are based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

Last 52 Weeks

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column
P/E Ratio—Price/earnings ratio
E.P.S.—Earnings per share

Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

*Two-week average volume equals the number of shares traded divided by the number of shares outstanding during the latest two-week period. Twelve-week average volume equals the number of shares traded divided by the number of shares outstanding over the previous 12 weeks.

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219